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Utah Insurance Department

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Summary of Legislation

H B 195 INSURANCE LAW AMENDMENTS

Representative Jim Dunnigan

Background

- Each year the department has a bill to make technical, or clean-up changes to the Utah Insurance Code. Changes are developed throughout the year as the Code is used.
- The unfair marketing clarifications stem from a licensee saying untrue things about himself and then asserting that because the Code said 'other licensee' that prohibitions against false or misleading statements about himself did not apply.
- Comparison tables for homeowners insurance and private passenger automobile insurance have been done since 1990. They are no longer published in paper form because they are on the department's website. They receive a significant amount of review (about 6,000 individuals per month).

Effects of Legislation

- Makes technical changes to Section 31A-2-201.
- Adds a new Section 31A-3-205 to clarify that premium taxes are paid to the State Tax Commission and not to the Utah Insurance Department.
- Deletes redundant language and corrects internal Code reference citations in Section 31A-5-211.
- Deletes obsolete language in Section 31A-8-201 dealing with a one-year transition period that began July 1, 1986 for non-Utah domiciled health maintenance organizations.
- Deletes unnecessary language in Section 31A-8-301 for health maintenance organizations.
- Changes form retention requirements from three years to five years in Section 31A-21-201.

- Deletes unnecessary word “approval” from Section 31A-21-303 because insurers doing business in Utah do not have to have their forms approved before the form can be used. Forms must be filed but not approved.
- Deletes an incorrect internal Code citation in Section 31A-22-633 dealing with a required report to the Health and Human Services Interim Committee.
- Clarifies that unfair marketing practices set forth in Section 31A-23a-402 apply to insurance products and to any licensee, even if the unfair marketing practices apply to the licensee doing them.
- Changed the repeal date for Section 31A-2-208.5 to July 1, 2010.

Benefits of Legislation

- Allows the Utah Insurance Code to be technically corrected and clarified.
- Increases retention period for insurers for forms from three years to five years to allow forms to be available for financial examinations that are done no less than every five years.
- Applies the unfair marketing provisions of the Code to insurance products and to all licensees.

Support for Legislation

- This bill comes from the Utah Insurance Department.